

complaint

Ms H is unhappy with the way Be Wiser Insurance Services Ltd (Be Wiser) sold her three landlord insurance policies and the amount she's been refunded on cancellation.

background

In March 2015 Ms H was meeting with a Home Office representative to discuss the possibility of it leasing three properties (two owned by her, one by her son) for five years to house refugees. The houses had been leased for many years, but their existing insurer(s) wouldn't cover refugees, so Ms H called Be Wiser to see if they would.

Be Wiser confirmed it could offer cover and gave Ms B a quote. Happy with the quote, she said she'd call back after the meeting because she didn't want to spend any money until the contract with the Home Office was guaranteed.

Towards the end of the sales call Ms H paid £84. She says this was to 'hold the quote'. Be Wiser says it was the first payment on the policies. The same amount was taken from her account the next month.

When Ms H cancelled the policies Be Wiser told her she was only entitled to a refund of £11.40.

Our adjudicator upheld Ms H's complaint. In his first assessment he thought Be Wiser had set up the policies with the wrong start date. Ms H said she asked for them to start in July 2015. Be Wiser disagreed and provided the call recording. After listening to this the adjudicator agreed. But he said that the salesman had applied undue pressure during the sales call. So he still upheld the complaint. Be Wiser hasn't responded to this assessment, so the matter's come to me to decide.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've decided to uphold Ms H's complaint.

From the sales call recording I'm clear that Ms H called Be Wiser for a quote, not to set up insurance. She tried to end the call, promising to call back after her meeting with the home office, several times. But the salesman kept her on the line.

When Ms H explained she wasn't sure what start date she needed he told her she could call back and amend that. He didn't mention the charges for this. Reading the policy documents, Ms H would have had to pay the insurer's £25 fee (plus insurance premium tax) and Be Wiser's £26.50 administrative charge. And she'd probably have had to pay this for each of the three policies. This would have been an extra cost for each policy of almost 30%.

Ms H also explained she didn't want to spend any money until the Home Office contract was confirmed. The salesman told her he'd spoken to his manager and she'd need the insurance in place to get the contract. Ms H said she didn't think this was right. The salesman then told her that the insurer wouldn't hold the rates she was being offered. But he added that she could always call up and cancel the policy during the 14 day cooling off period. But again he didn't mention the charges for this. From the policy documents I think she'd have been

charged £25 plus 20% of the premium. Again she'd probably have had to pay this for each of the three policies.

I've seen no evidence that the salesman knew that the Home Office would need to see insurance in place to offer Ms H the contract. And I think it's unlikely. I've also seen nothing to show that the insurer wouldn't have held the offer of the policies open for Ms H for a couple of days. And even if it had, I don't think she'd have risked the cancellation fees for three policies. I also don't think he was open and honest about the cost of amending or cancelling the policy.

So I don't think Be Wiser treated Ms H fairly and reasonably during the sales call. And if it had, I don't think she'd have bought the policies during this call. So I'm upholding Ms H's complaint.

To put things right I think Be Wiser should refund all sums paid by Ms H plus interest. I also think this experience has been distressing and inconvenient to Ms H. So I think Be Wiser should compensate her for that too.

my final decision

I've decided to uphold Ms H's complaint and require Be Wiser Insurance Services Ltd to pay her:

- all sums paid by Ms H for these policies (less any refund) plus 8% simple interest from the date of sale; and
- £200 for the distress and inconvenience it's caused Ms H.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms H to accept or reject my decision before 29 February 2016.

Mike Foster
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